

**CONSUMER AWARENESS TOWARDS ELECTRONIC PAYMENT
AT THE KLANG VALLEY**

This project is submitted to the
MARA University of Technology
As partial fulfillment of the requirement for the
BACHELOR OF SCIENCE (HONS) (BUSINESS COMPUTING)

By:

KHAIRUL ANUAR BIN MOHD LAMIN

2000132410

BACHELOR OF SCIENCE (HONS) (BUSINESS COMPUTING)
FACULTY OF INFORMATION TECHNOLOGY AND QUANTITATIVE SCIENCES
MARCH 15, 2004

DECLARATION OF ORIGINAL WORK

B.Sc. (HONS) BUSINESS COMPUTING

**FACULTY OF INFORMATION TECHNOLOGY AND QUANTITATIVE
SCIENCES**

UNIVERSITI TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

I, Khairul Anuar Bin Mohd Lamin, 810611-05-5145

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.



Signature

Date: March 2004

ABSTRACT

This study is carried out to determine the consumer awareness towards electronic payment in the Klang Valley. The target group is among consumers in the Klang Valley and focuses on people who had a past experience on using any of electronic payment services offered in Malaysia. This research will identify why, where, when, what, and how they use the electronic payment system. This study will also focus on people who had no experience on using any types of electronic payment services in Malaysia. This research will also identify why they do not use the electronic payment services. The purpose of this study is to give a real scenario about the awareness of people at Klang Valley towards electronic payment in Malaysia. This research will give some measurement about the frequency and consumer awareness and also highlight the knowledge level of Klang Valley peoples about electronic payment in Malaysia. From the finding shows that most of the respondent are aware about electronic payment that being offered. All of the respondents know about electronic payment before and like to pay their utility and telecommunication bills. Most of the respondents that have an experience on using electronic payment are satisfied and will recommend the electronic payment services to their friends. Most of them also do not find any difficulties on using electronic payment services. Most of them agreed that electronic payment services are easy to use. Most of them agreed that electronic payment is secured and saving their time compared to queuing at the counter. Respondents believes that electronic payment is beneficial to them but believe that electronic payment is slow in response time. They feel convenience on using electronic payment and agreed that electronic payment system in Malaysia needs more improvement.

TABLE OF CONTENTS

<u>CONTENT</u>	<u>PAGE NO.</u>
ACKNOWLEDGEMENTS	iii
ABSTRACT	iv
TABLES OF CONTENTS	ix
LIST OF TABLES	v
LIST OF FIGURES	vii

CHAPTER 1 INTRODUCTION

1.1	Introduction	1
1.2	Statement Of The Problem	1
1.3	Objective Of The Study	3
1.4	Scope Of The Research	4
1.5	Significant Of The Study	4
1.6	Limitation Of The Study	5

CHAPTER 2 LITERATURE REVIEW

2.1	Introduction	7
2.2	Definition Of Pertinent Terminology	8
2.3	History of Electronic Payment	10
2.4	Types of Electronic Payment	13
2.5	Characteristics of Payment Systems	14

2.6	Past and Current Research	
2.6.1	Technology Adoption and Consumer Payments:	
	Evidence from Survey Data	15
2.6.2	Diary Study on Internet Payment Systems	17
2.6.3	Electronic Banking in Malaysia: A Note on	
	Evolution of Services and Consumer Reaction	18
2.6.4	Risk, Convenience and Cost of Online	
	Payment	19
2.6.5	High Performance Payment Systems	
	In Developing Countries	19

CHAPTER 3 RESEARCH METHODOLOGY

3.1	Introduction	21
3.2	The Research Approach	21
3.3	The Problem Definition	
	3.3.1 Problem Statement	22
	3.3.2 Problem Objectives	22
	3.3.3 Problem Scope	23
3.4	Data Collection	
	3.4.1 Questionnaire	23
	3.4.2 Interview	25
	3.4.3 Observation	26
3.5	Data Analysis	26